

CLAIMS: MARINE TRANSPORTATION AND LITIGATION

*Exchange of notes at Washington March 25 and May 7, 1946, modifying
agreement of December 4, 1942
Entered into force May 7, 1946*

60 Stat. 1915; Treaties and Other
International Acts Series 1558

The British Ambassador to the Secretary of State

BRITISH EMBASSY,
WASHINGTON, D.C.
25th March, 1946

No. 174

SIR,

I have the honour to refer to your Note of October 10, 1945 (411.41 Ships/9-2045) in which notice was given that, in view of the termination of lend-lease by the Government of the United States, payments made by the United States Government on behalf of His Majesty's Government in the United Kingdom in the course of operations under the Knock-for-Knock Agreement of December 4, 1942,¹ would be made under lend-lease only in cases where the claim arose prior to the expiration of 60 days following 12.01 a. m., September 2, 1945 (V-J Day).

2. You suggested in your Note that discussions should be held between the representatives of the Government of the United States and of His Majesty's Government concerning the continuation of the waiver features of the Knock-for-Knock Agreement of December 4, 1942, and the handling of mutual legal aid and payments under Article IV of that Agreement beyond the 60 day period mentioned above on some basis other than an accounting under the lend-lease Act.

3. I understand that the duly appointed representatives of our two Governments have now completed the discussion suggested in your Note under reference and I have the honour to state the agreement which the United Kingdom representatives report was reached as a result of those discussions:

¹ EAS 282, *ante*, p. 631.

(i) It has been agreed that lend-lease and reciprocal aid funds will be available to discharge liabilities which arise from casualties occurring before midnight, October 31, 1945, and which are within the agreed scope of legal aid under Article IV of the Agreement and supplemental understandings. The Agreement, in both its waiver and legal aid aspects, will continue to operate thereafter and until notice is given to terminate it, but for liabilities arising from casualties occurring on or after November 1, 1945, which are within the scope of legal aid as determined from time to time, there will be substituted for payments under Mutual Aid the system of accounting on a cash basis which is provided for by the last sentence of Article IV.

(ii) It is understood that for casualties occurring on or after November 1, 1945, the United States Navy will not require legal aid under Article IV of the Agreement or supplemental understandings.

(iii) It has been further agreed that the continued operation of the Knock-for-Knock Agreement will be without prejudice to the possible adoption by the shipping authorities of our respective Governments of new policies in relation to the disposition of vessels, changes in status, and changes in insurance arrangements.

4. I have the honour to suggest that, if the above statement of the agreement reached is concurred in by the Government of the United States, this note and your acknowledgment of it shall be considered as constituting, on the date of your acknowledgment, an Agreement between the two Governments for the continued operation of the Knock-for-Knock Agreement of December 4, 1942, modified as is required as a result of the termination of mutual wartime arrangements.

I have the honour to be, with the highest consideration, Sir,
Your most obedient, humble Servant

HALIFAX

The Honourable

JAMES F. BYRNES,

*Secretary of State of the United States,
Washington, D.C.*

The Acting Secretary of State to the British Ambassador

DEPARTMENT OF STATE

WASHINGTON

May 7, 1946

EXCELLENCY:

I have the honor to acknowledge the receipt of your note no 174 of March 25, 1946, setting forth the agreement reached by representatives of

our two Governments in informal discussions concerning modifications of the Knock-for-Knock Agreement of December 4, 1942 made necessary by the termination of mutual aid arrangements.

The agreement set forth in the note accords with my understanding of the matter and may be regarded as in effect from the date of this acknowledgment.

Accept, Excellency, the renewed assurances of my highest consideration

DEAN ACHESON
Acting Secretary of State

His Excellency
The Right Honorable
THE EARL OF HALIFAX, K.G.,
British Ambassador.